

Message Text

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PAGE 01 MASERU 00506 182209Z
ACTION AF-10

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FM AMEMBASSY MASERU
TO SECSTATE WASHDC 6931
INFO AMEMBASSY GABORONE
AMEMBASSY MBABANE

C O N F I D E N T I A L MASERU 506

E.O. 11652: GDS
TAGS: PFOR EAID LT
SUBJ: ADDITIONAL PL-480 TITLE II FOODSTUFFS

REF: A. STATE 72935, B. STATE 80811 (NOTAL), C. MASERU 35

1. PER REQUEST PARA 2, REFTTEL B, EMBASSY DISCUSSED EXTENT OF
LESOTHO'S FOOD EMERGENCY AND ESTIMATED SIZE OF REQUIRED ADDITIONAL
TITLE II FOODSTUFFS WITH CRS DIRECTOR AND ALSO WFP DIRECTOR.
BOTH DIRECTORS AGREED ON FOLLOWING POINTS.

A. THERE IS NO TRUE FOOD EMERGENCY EXPECTED IN LESOTHO
DURING JUNE-SEPT PERIOD.

B. PRESENT WFP AND PL-480 PROGRAMS ARE STRETCHED TO
THEIR ADMINISTRATIVE LIMITS AND COULD NOT STORE OR DISTRIBUTE
ANY SIZEABLE NEW FOOD INPUT (LESOTHO IS ALREADY ONE OF THE
LARGEST PER CAPITA FOOD RECIPIENTS IN THE WORLD).

C. LESOTHO IS HAVING A RECORD WHEAT CROP AND GOOD VEGETABLE
RETURNS. MAIZE AND SORGHUM CROPS ARE POOR, BUT NO INDICATION
THAT THEY ARE POORER THAN USUAL.

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D. THE MAJOR FOOD PROBLEMS IN LESOTHO ARE LACK OF SUFFICIENT
STORAGE AND INADEQUATE DISTRIBUTION SYSTEM, NOT QUANTITY OF FOOD.

E. ONLY CAPABILITY TO MOVE ANY INCREASED FOOD INPUTS IS
WITHIN COMMERCIAL SECTOR AND THAT IS LIMITED.

F. GOL'S REAL DESIRE IS TO RECEIVE ADDED SUBSIDIZED FOOD

INPUTS, SELL TO COMMERCIAL OUTLETS AT SUBSIDIZED PRICE, AND PASS ON SAVINGS TO CONSUMERS. THIS WOULD OFFSET THE FINANCIAL BURDEN TO LESOTHO CONSUMERS OF THE SOUTH AFRICAN WITHDRAWAL OF ITS MAIZE AND WHEAT SUBSIDY (REF C).

2. WFP DIRECTOR EXPLAINED THAT WFP IS NOW CONSIDERING (AND WILL PROBABLY APPROVE) A GOL REQUEST FOR 5,000 METRIC TONS OF MAIZE, WHICH WOULD BE STORED IN MOUNTAIN WARDHOUSES AS A RESERVE. THIS RESERVE WOULD BE DRAWN ON AND SOLD COMMERCIALY THROUGHOUT THE YEAR. PROCEEDS WOULD BE USED TO RESUPPLY THE RESERVE. A TOTAL OF SIX WAREHOUSES SITUATED THROUGHOUT THE MOUNTAIN AREAS ARE CONTEMPLATED. HOWEVER, ONLY THREE ARE CURRENTLY UNDER CONSTRUCTION.

3. COMMENT: EMBASSY BELIEVES REGULAR FOOD AID PROGRAMS

COUPLED WITH EXPECTED ADDITIONAL WFP INPUT OF 5,000 METRIC TONS IS SUFFICIENT FOR LESOTHO'S SHORT-TERM FOOD NEEDS THROUGH 1977. LONG-TERM FOOD NEEDS COULD BE HANDLED IN THREE DIFFERENT WAYS: A. INCREASED FOODED ASSISTANCE TO SUPPORT LONG-TERN GOL OBJECTIVE OF REDUCING FOOD DEPENDENCE ON SOUTH AFRUCA. THIS WOULD REQUIRE MAJOR INFRASTRUCTURE INPUTS, E.G., SILOS, WAREHOUSES, ROADS AND TRANSPORT AS WELL AS TECHNICAL PERSONNEL AND TRAINING; B. CRS DIRECTOR SUGGESTED THAT A LIMITED QUANTITY OF PL-480 FOOD COULD BE SOLD AT LOWER PRICES TO GOL, WICH WOULD THEN SELL IT TO COMMERCIAL OUTLETS. PROCEEDS FROM SALES WOULD BE UTILIZED TO SUPPORT THE ONGOING PL-480 PROGRAM. TURNOVER WOULD BE QUICKER AND AVOID THE IMMEDIATE NEED FOR MAJOR INFRASTRUCTURE
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DEVELOPMENT; C. PROVIDE CASE SUBSIDY TO GOL TO MAKE UP THE FINANCIAL LOSS INCURRED BY LESOTHO FROM SAG'S WITHDRAWAL OF THE WHEAT AND MAIZE SUBSIDY (ESTIMATED AT \$2.5 MILLION PER YEAR). THIS WOULD ALLOW LESOTHO TO PURCHASE THE SAME AMOUNT OF FOOD FROM SA AT NO LOSS.

MOST LOCAL EXPERTS AGREE THAT TRUE FOOD SELF-SUFFICIENCY IS AN UNREALISTIC GOAL FOR LESOTHO. THEREFORE, THE QUESTION POSED IS: DOES THE USG WISH TO GO BEYOND THE ALREADY LARGE FOOD PROGRAMS IN LESOTHO IN SUPPORT OF GOL'S DESIRE TO REDUCE ITS FOOD DEPENDENCY ON SOUTH AFRICA? END COMMENT.
STOKES

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